

GAMBLING LICENSE CERTIFICATION PROGRAM



LACEY, WASHINGTON

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The Washington State Gambling Act provides the public with an opportunity to engage in limited charitable and social gambling without fear of organized crime infiltration or the potential for fraud by professional gamblers. The Gambling Commission was established as a regulatory agency with its major responsibility directed toward preventing individuals with undesirable criminal backgrounds from obtaining any kind of gambling license or working in a licensed establishment.

The Gambling License Certification Program is an investigative licensing process whereby applicants are assessed and evaluated against the standards in the Gambling Act of 1973, as revised. Potential licensees are initially certified through an in-depth analysis of their application. Each year they must renew their license.

The Gambling Commission uses the certification process as an important step in its "prevention" approach to gambling enforcement. Through careful screening and evaluation, the certification program plays a key role in preventing potentially undesirable organizations or individuals from obtaining a gambling license. All applicants must successfully prove their license eligibility, upon initial application, and maintain that eligibility while they hold their license. The ability to obtain a gambling license rests solely upon meeting the criteria outlined in the Gambling Act. The Gambling Commission does not merely issue licenses. It provides license certification only upon successful completion of a rigid investigative and evaluative program.

WHO CAN BE LICENSED / CERTIFIED

- Bona Fide Charitable or Nonprofit Organizations
- Commercial Business Establishments
 - primarily engaged in selling food and / or drink,
- OR**
- engaged in manufacturing / selling gambling equipment / supplies / services.
- Individuals working for qualified organizations or businesses.
- Persons and businesses working for compacted tribal casinos.

NOTE: Each category listed above must meet all requirements before receiving a Gambling Commission license.

GENERAL QUALIFICATIONS

• Bona Fide Charitable and Nonprofit Organizations:

1. Organized to provide one or more of these nonprofit services:

- | | | | |
|---------------|----------|-------------|----------------|
| ▸ Educational | ▸ Civic | ▸ Patriotic | ▸ Fraternal |
| ▸ Political | ▸ Social | ▸ Athletic | ▸ Agricultural |

and defined by RCW:

- | | | |
|-----------------------|------------|----------------------|
| ▸ Religious Societies | ▸ Churches | ▸ Agricultural Fairs |
| ▸ Fraternal Societies | ▸ Granges | |

2. Must be organized and operating at least 12 months prior application.
3. Must have not less than 15 actively participating members, 18 or older, each with equal voting rights.
4. Must be classified exempt by the IRS from federal income taxes.
5. Must demonstrate accomplishments of organizational purposes.
6. Must successfully complete a criminal and financial background investigation.
7. Must provide evidence of source of purchase / start-up funds.

• Commercial Business Establishments:

1. Must demonstrate that the gambling activity would be a commercial stimulant to on-premises food and / or drink sales.
2. Must provide evidence of issuance of liquor license, if applicable.
3. Must provide evidence of source of purchase / start-up funds.
4. All those with a substantial interest must successfully complete a criminal and financial background investigation.
5. Must show proof of financial arrangements, ownership, rental or lease agreements.

Individuals:

1. Must provide proof of employment status.
2. Must successfully complete a criminal background investigation.

NOTE: Licensing requirements vary with the type of license applied for. Also, applicants and managers are required to attend a mandatory training program prior to receiving a license. See the question and answer section for more information.

GAMBLING ACTIVITIES SUBJECT TO LICENSE

- **Charitable or Nonprofit Organizations may be licensed for:**
 1. Amusement Games
 2. Bingo Operations
 3. Social Cardroom Operation
 4. Fund Raising Events (Reno / Casino Nights)
 5. Punch Boards / Pull-Tabs
 6. Raffles
- **Commercial Business establishments may be licensed for:**
 1. Public Card Game Operations
 2. Manufacturing (equipment and supplies)
 3. Distributing (equipment and supplies)
 4. Service Supplying (consulting and other services)
 5. Punch Board / Pull-Tab Service Business
 6. Punch Board / Pull-Tab Retail Sales
 7. Commercial Amusement Games
 8. Linked Bingo Prize Provider
- **Individuals may be licensed as a:**
 1. Public Cardroom Employee
 2. Commercial Gambling Manager
 3. Charitable or Non-profit Gambling Manager
 4. Manufacturer's Representative
 5. Distributor's Representative
 6. Services Supplier's Representative
 7. Linked Bingo Prize Provider Representative
- **Individuals and Commercial businesses may be certified as:**
 1. Class III Gaming Employees
 2. Class III Management Companies / Financiers
 3. Class III Manufacturers / Suppliers of gaming services, supplies, and equipment

WHERE AND HOW TO APPLY FOR A GAMBLING LICENSE

Many applicants choose to contact the Gambling Commission prior to submission of any gambling license application(s). This prelicensing contact is helpful in eliminating unforeseen problems, improving your understanding of the licensing process, and reducing the application processing time. Application forms are available by contacting the Lacey headquarters office or may be obtained at any gambling enforcement office.

The completed application must be signed, dated, include the proper fee, and be submitted to our Lacey headquarters office. Fees vary with each type of gambling activity. A fee amount is stated on the application, or included as a fee schedule in the application packet. All applicants should plan on submitting their completed application no less than 60 days prior to the desired date of operation.

By law, the Gambling Commission has the responsibility to assure that each applicant meets the full requirements of the gambling statute prior to being issued a license.

Applicants may avoid unnecessary delays in the Gambling License Certification Process by being responsive and cooperative with the licensing staff throughout the process.

For assistance in completing the application form, please contact the Licensing Services Section directly.

HOW THE LICENSING PROCESS WORKS

- Upon receipt of the application, a license record / file is established and a copy of the application may be transmitted to the local Gambling Special Agent assigned to your area. The agent may contact you for information or comments, or to perform an inspection of your business or organization site.
- A specially trained Gambling License Technician is assigned to review and evaluate your application. The technician will be available to you during the entire licensing process. The technician will interview you, if the application is received over the counter, and may request additional required documents such as leases, corporate papers, by-laws, purchase agreements, financial statements, criminal history statements, personal information forms, etc. They will also verify that you attend the appropriate mandatory, precensing training.
- The Financial Investigative Unit initiates an investigation of individual backgrounds and finances as required by state law. Investigations may involve local police as well as state, federal, national, and international authorities to ensure applicants and all those having a substantial interest are qualified to be licensed. In some cases, individuals are required to supply fingerprints and provide proof of income from various sources.

NOTE: You should expect to be contacted by both the assigned Gambling License Technician and a Financial Investigations Special Agent during the course of the licensing investigation. They are trying to determine your license eligibility. Additional documentation may be required in each phase.

- Upon completion of the certification process, the application is administratively reviewed and either approved or disapproved.

If approved, a license is printed and is forwarded to you within one or two days. Accounting packets, a rule book, and other special notices may be included with the license. The packet may be mailed from the headquarters office or it may be hand delivered by the local area Gambling Special Agent.

If disapproved, you will be contacted and advised of the nature of the non-qualification. See below.

MOST COMMONLY ASKED QUESTIONS ABOUT GAMBLING LICENSES

Question: How long does it take to process a gambling license?

Answer: The average processing time for an in-state application is 60 days. Organizations and businesses should plan their activity(ies) to allow for this amount of processing time.

Question: Why does it take an average of 60 days to process a gambling license application?

Answer: In order to meet the requirements established by the Gambling Act of 1973, as revised, while ensuring fairness to all applicants, license applications are processed on a first come, first served basis.

Question: What are some of the common delays?

Answer: Delays are commonly caused by:

- Incomplete applications
- Missing supporting documents
- Delays or repeat inquiries to local and national police background checks
- Applicant not responding
- Applicant qualification problems
- Inability to verify applicant's financial sources
- Applicant's failure to attend mandatory, precensing training

Question: When does the Gambling Commission issue a license?

Answer: The Gambling Commission shall issue a license **only** after it is satisfied that the applicant is qualified to operate or participate in the activity for which the license was sought.

Question: Are commercial business gambling licenses transferable from one owner to another?

Answer: No. Once a gambling license is issued to an applicant the license becomes void upon sale of the business and no license fee refund is authorized. Exceptions may be granted in special cases involving transfers to family members, proved incapacity, death, receivership, bankruptcy or assignment for benefit of creditors. Contact the Gambling Commission directly regarding these special circumstances.

Question: Why are applicants and chief executive officers of nonprofit organizations required to attend mandatory, preclicensing training?

Answer: To educate the licensee and increase voluntary compliance with our state gaming rules by:

- Creating a better understanding of the Gambling Commission's role in regulating and controlling gambling activities.
- Outlining and defining gambling laws, rules, procedures, and other general information.
- Emphasizing applicant and licensee responsibilities.
- Familiarizing applicants with required accounting procedures and state and local tax reporting requirements.

Question: What if my license application is not approved?

Answer: There are several possible courses of administrative action that could occur. If the applicant has not supplied required information or documents, has not paid the proper fees, or did not attend mandatory training, they may voluntarily withdraw their application or the commission may administratively close it. If your application is disapproved for lack of qualification by reason of law or commission rule, you will be advised of the nature of your non-qualification and provided information regarding the appeal procedure.

Question: What happens when a license expires?

Answer: A license becomes void upon the expiration date. At that date, all gambling activities must cease. The license is placed on an inactive status, and the local Gambling Commission office is notified. The local area Special Agent will visit to assure that all gaming activities have ceased and / or all gambling devices have been removed.

**PLEASE CONTACT THE GAMBLING COMMISSION
FOR SPECIFIC INFORMATION AND REQUIREMENTS.**

Telephone No. (360) 486-3440

FAX (360) 486-3631

Toll-Free 1-800-345-2529

Washington State Gambling Commission

Mailing Address: PO Box 42400

Olympia, Washington 98504-2400

Street Address: 4565 7th Avenue SE

Lacey, Washington 98503

Web Site: www.wsgc.wa.gov

**This publication is available in alternate
formats upon ADVANCE REQUEST.**

**Please contact (360) 486-3458 or
TDD (360) 486-3637.**

**Washington State Council
on Problem Gambling
1-800-547-6133**